

**REMARKS*****A. Overview***

Claims 1-51 are pending in the present application. The Office Action has rejected all the claims. This response is an earnest attempt to advance prosecution of the application.

Reconsideration is respectfully requested.

***B. Section 112 Rejection***

Claim 18 was rejected as non-enabling. This response amends claim 18 in the manner suggested by the Examiner. It is respectfully submitted that the amendment, for purpose of clarity, remedies the § 112 rejection.

***C. Section 101 Rejection***

Claims 1, 4-12, 26-39, 42-43, and 45-50 have been rejected under § 101. The Examiner alleges they contain non-statutory subject matter because "[t]here is no technological innovation in the claims." Office Action, pg. 2, last paragraph. This rejection is respectfully traversed.

First, Applicant respectfully disagrees with the test articulated for determining § 101 subject matter. No authority is cited.

Second, Applicant respectfully submits additional language need not be added to the claims to make them statutory (for example, any explicit recitation of utilization of a computer). Independent claim 1 is a method claim. It is not an apparatus claim. Furthermore, the claim 1 explicitly recites the following steps which are explicit concrete, useful and tangible actions: (1)

estimation of PDR repair<sup>1</sup> and (2) gathering information about automobile body damage, (3) processing the information, and (4) generating a report.

Third, it is respectfully submitted that claim 1 meets statutory subject matter as defined by the courts. The mere step of preparing a report (Claim 1, step (d)) is sufficient concrete, tangible post-processing of the method to meet statutory subject matter.

The Examiner is directed towards the most recent U.S. Supreme Court authority on patent-eligible subject matter, *J.E.M. Ag Supply, Inc. v. Pioneer Hi-Bred Int'l, Inc.*, 534 U.S. 124, 122 S.Ct. 593 (2001), interpreting the language of 35 U.S.C. § 101 to be extremely broad. The Supreme Court also recognized that Section 101 is a dynamic provision designed to encompass new and unforeseen inventions. 35 U.S.C. § 101 means what it says when it defines "any new and useful process" as being patent eligible subject matter and the categories of § 101 are not limiting. See, e.g., *J.E.M. Ag Supply* at 598 (citing to *Diamond v. Chakrabarty*, which held that anything "under the sun" made by man is eligible for patenting under § 101). To the extent that the Examiner's test is inconsistent with *J.E.M. Ag Supply, Inc.*, it is simply overruled or not controlling.

Independent claim 14 is a concrete, useful, and tangible apparatus. Element (a) recites a device. Element (b) a computer, and element (c) a program installable on the computer. The program uses information about damage to generate an estimation report. Thus, it defines statutory subject matter under § 101. Whether or not it is a patentable "technological advance" is not a § 101 test, but a § 102 or § 103 test.

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<sup>1</sup> "All elements of the claim must be considered, including the preamble, since limitations appearing in the preamble are necessary to give meaning to the claim and to properly define the invention." *Corning Glass Works v. Sumitomo Electric*, 9 U.S.P.Q.2d 1962 (Fed. Cir. 1989); *In re Paulson*, 31 U.S.P.Q.2d 1671, 1673 (Fed. Cir. 1994).

Independent claim 26 is a concrete, useful and tangible apparatus. It specifies a hand-carryable device with specific physical features (openings of certain sizes). This is unquestionable statutory subject matter. Whether it is patentable is a different issue.

Independent claim 45 is a kit claim, but is similar to claim 26 because it describes a specific physical device with specific physical features.

Therefore, it is respectfully submitted that the claims rejected under §101 do, in fact, meet the test for statutory subject matter under the current law.

#### ***D. Section 103 Rejection***

Claims 1-51 have all been rejected as obvious under § 103 based on U.S. Patent 6219930 to inventor Reid (hereinafter "Reid"). This rejection is respectfully traversed.

A *prima facie* obviousness rejection must be based on a prior art reference that (a) teaches, (b) a reason, suggestion, or motivation to be modified, (c) in a manner which appears to show or suggest the claimed invention to one of ordinary skill in the art. It is respectfully submitted that Reid fails to provide a *prima facie* case of obviousness for at least the following reasons.

##### ***I. Reid does not teach or suggest all the claim limitations***

Applicants' claims not only define an invention that provides a concrete, useful, and tangible result, but also explicitly differs from the cited prior art in the Office Action. In particular, the Reid U.S. Patent 6219930 cited by the Examiner, uses a very different approach to gathering information to make estimates of auto body repair. Reid uses a first template 26 of one square foot (col. 3, lines 11-12) to extrapolate an average number of dents across the vehicle (col. 3, lines 23-25). Reid uses a separate, second "guide or template" 32 to then examine dents

within that chosen one square foot of first template 26 to extrapolate dent "severity" (classifies a dent as "small", "medium", or "large" (col. 3, lines 25-55). Reid then takes the number of dents in the one square foot area and the "small", "medium", or "large" classification from the one square foot area and fits it into an overall classification of "light damage" (*i.e.* two or less "small" dents and no "large dents"), "medium damage" (*i.e.* three to five total dents),<sup>2</sup> and "heavy damage" (*i.e.* six to ten total). Finally, a multiplier of 0.5, 0.7, or 0.8 is given to "light", "medium", or "heavy" damage respectively, and multiplied by total square footage of the car and by labor rate.

In contrast, Applicants' claims use very different information. The smallest and largest dents are identified anywhere on the car body (within a range of sizes susceptible of PDR). This allows them to better estimate the range of sizes to repair, which is important because different size dents usually require different amounts of labor. Thus, the inventors feel this difference helps provide a more accurate estimate of needed PDR repair. The inventors have found that using the preceding steps allows quicker, more accurate, and (importantly) more consistent estimations from car to car. This latter advantage is very important in the PDR industry for the reasons described at Applicants' specification numbered paragraphs 5-17. Prior methods had resulted in inconsistent estimates. Insurance companies were unable to effectively manage and underwrite PDR because of this. Therefore, there is an important issue addressed by the Applicants' invention. Their solution to this problem is different than the state of the art, including Reid.

As set forth above, Reid teaches estimate of body repair by: classify the damage as

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<sup>2</sup> The full test for "medium damage" at Reid, col. 5, lines 23-25 is: "Medium damage: three to five total dents per pre-selected representative square foot area with less than one dent per square foot." This seems internally contradictory. How can there be "three to five total dents" and "less than one dent" in the same square foot area? The definition of "heavy damage" has a similar inconsistency.

"light", "medium", or "heavy" and simply assigning a multiplier to be multiplied with total car body square footage and labor rate (col. 5, lines 50-57). To get to the classification, Reid teaches (a) use template 26 to derive an "average" number of dents per square foot on the body and (b) inside the square foot use second template 32 to estimate "severity" of the dents as "small", "medium", or "large" (col. 3). A formula is used to classify based on (a) and (b) (*see* col. 5, lines 50-57).

In essence, Reid's solution to estimation of cost of repair is to select one square foot of the car body, count number of dents in that square foot and classify dent size within that square foot, and then assume that the number of dents and their size is, on average, the same across the car body when calculating a cost of repair estimate.

As also discussed above, Applicants' independent claims 1, 14, 26 and 45 differ on this point. Applicants' solution is a different paradigm from Reid. It does not assume any square foot of the car represents an "average" indication of damage for the rest of the car body. Instead, it looks for largest and smallest dents within a pre-determined range of sizes anywhere on the car body. It looks for damage "susceptible of P.D.R.", not just one random square foot on the car. This step is felt to give a better indication of range of dent sizes to repair. (See Applicants' Specification, page 27, paragraph number 87 which explicitly states: "... this is a defacto fail safe or rule to make estimates more consistent.") This can be very important for an accurate estimate. For example, if the range of sizes is large, the estimate needs to account for this because it usually involves more labor to fix larger dents than smaller. As recognized in Reid and in the Applicants' specification, hail damage, for example, may not be uniform across all parts of the car body. Therefore, Applicants' claims look for largest and smallest dent anywhere on the car body, and do not constrain sizing the dents to just one square foot like Reid. The

Applicants' have found that estimates appear more accurate and consistent using this as a criteria. Thus, in stark contrast to Reid, Applicants' claims do not teach looking for an "average" damage on the body; they intentionally look for a specific phenomena—the largest cluster. These differences are missing from Reid.

To support an obviousness rejection, the cited reference(s) must teach or suggest all the claim limitations. Reid does not. Each of Applicants' independent claims 1, 14, 26, 45 and 51 have language regarding damage "susceptible of P.D.R.". Therefore, there is no *prima facie* case of obviousness when one more features of a claim are missing from the prior art relied upon. The prior art reference (or references when combined) must teach or suggest all the claim limitations. *In re Royka*, 490 F.2d 981, 180 USPQ 580 (CCPA 1974).

## ***2. Reid teaches away from Applicants' claimed invention***

A *prima facie* case obviousness can be rebutted if it can be shown that one or more of the references relied upon by the Examiner, when taken as a whole, teach away from the claimed invention. "A reference may be said to teach away when a person of ordinary skill, upon reading the reference, . . . would be led in a direction divergent from the path that was taken by the applicant." *Tec Air, Inc. v. Denso Mfg. Mich. Inc.*, 192 F.3d 1353, 1360, 52 U.S.P.Q.2d 1294, 1298 (Fed. Cir. 1999). "A *prima facie* case of obviousness can be rebutted if the applicant . . . can show 'that the art in any material respect taught away' from the claimed invention." *In re Geisler*, 116 F.3d 1465, 1469, 43 U.S.P.Q.2d 1362, 1365 (Fed. Cir. 1997).

As pointed out above, Reid takes a different approach to estimation of car body repair than Applicants' claims. It therefore teaches away from Applicants' claims. Nowhere in Reid is it suggested that the solution of Applicants' claims be followed. In contrast, Reid tries to classify damage into three simple classes and assume that damage is uniform across the car body.

Applicants' claims instead look for largest and smallest dents within the range susceptible of PDR, anywhere on the car body, and also look for the largest cluster of dents on the body. Indeed, this is a recognition by Applicants' claims that damage is not uniform across the body. Therefore, this teaching away by Reid corroborates that Applicants' claims would not be obvious to one of ordinary skill in the art because Reid specifically teaches a different solution than Applicants' claims.

As can be seen in Reid (col. 1, lines 44-55), Reid explicitly recognizes that accuracy in estimation is the goal, and that insurance companies are the driving force of this. The question becomes: What is the best method to get accurate estimates? Reid's selected and teaches one paradigm. Applicants' claims teach another. The differences are explicitly reflected in Applicants' claims.

***3. Independent Claims 1, 14, 26, and 45 are not obvious in light of Reid***

Therefore, it is respectfully submitted that Applicants' independent claims 1, 14, 26, and 45 are not obvious over Reid, but rather are patentably distinct and allowable over Reid.

***4. Dependent Claims 2-13, 15-25, 27-44, and 46-50 are not obvious in light of Reid***

Furthermore, claims 2-13, 15-25, 27-44, and 46-50 are dependent from one of these independent claims and are submitted to be allowable for the reasons expressed in support of the independent claims.

But further, additional limitations in the dependent claims provide independent grounds of non-obviousness in light of Reid. For example, Reid does not disclose, teach, or suggest the following limitations:

Claims 3, 12, 25—sending information to a server.

Claims 7-9, 21-22, 36-37— relating to using "cluster" information in deriving an estimate.

Claims 13, 16-19, 43, 44, 48, 49—a data input template.

**5. Independent claim 51 is not obvious in light of Reid**

Applicants' claim 51 is a system for estimating PDR which utilizes a server and a subscriber computer, and where access to the recited database (which contains information characterizing damage to an automobile) depends on authorization. Applicants' specification, e.g. pages 53-56, discusses how such a computerized and networked system could allow for very efficient field evaluation of automobile body damage, reporting to a central server (e.g. at an insurance company), and use of that information. Claim 51 also specifically describes a subscription based system. In other words, for a client like an insurance company, for a subscriber fee, they can get authorization and access to such information. This could greatly increase efficiency of gathering needed damage estimates from remote sites for its insureds, and then processing that information (e.g. processing claims, generating reports, generating checks for payment of repairs, updating its records, etc.). Advantages are discussed at Applicants' specification pages 53-56.

Nowhere does Reid disclose, teach, or suggest Applicants' claim 51. Reid mentions in passing "local or remote electronic databases" (col. 5, line 41) and local or remote computer software (col. 6, lines 39-41), but nowhere does it mention a database "containing information characterizing damage to an automobile" at a remote site or server, or use of passwords or authorizations in the context of a subscriber-based system.

Therefore, it is respectfully submitted that Reid does not support a *prima facie* case of obviousness relative to Applicants' claim 51.



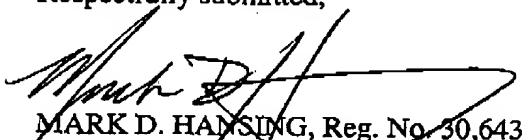
***E. Conclusion***

It is respectfully submitted that the claims overcome any § 101 issue and are allowable over the § 103 rejection. They clearly recite methods and apparatus using specific steps or physical devices to perform a useful result – accurate, quick, and consistent estimation of painless dent repair. It is noted that other minor changes have been made to the independent claims for clarity and consistency.

It is respectfully submitted that all matters raised in the Office Action have been addressed and remedied, and that the application is in form for allowance. Favorable action is respectfully requested.

This is a request to extend the period for filing a response in the above-identified application for three months from April 7, 2005 to July 7, 2005. Applicant is a small entity; therefore, please charge Deposit Account number 26-0084 in the amount of \$510.00 to cover the cost of the three month extension. Any deficiency or overpayment should be charged or credited to Deposit Account 26-0084.

Respectfully submitted,



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